

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO,

as representative of

THE COMMONWEALTH OF PUERTO RICO, *et*
al.,

Debtors.¹

PROMESA

Title III

No. 17-BK-3283-LTS

(Jointly Administered)

**This filing relates to the
Commonwealth, ERS, and
HTA.**

NOTICE OF CORRESPONDENCE REGARDING FIVE
HUNDRED EIGHTEENTH OMNIBUS OBJECTION (NON-SUBSTANTIVE)
OF THE COMMONWEALTH OF PUERTO RICO, THE EMPLOYEES
RETIREMENT SYSTEM OF THE GOVERNMENT OF THE
COMMONWEALTH OF PUERTO RICO, AND THE PUERTO RICO HIGHWAYS
AND TRANSPORTATION AUTHORITY TO CLAIMS ASSERTING LIABILITIES
OWED BY ENTITIES THAT ARE NOT TITLE III DEBTORS

To the Honorable United States District Judge Laura Taylor Swain:

1. On September 16, 2022, the Commonwealth of Puerto Rico (the “Commonwealth”), the Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”), and the Puerto Rico Highways and Transportation Authority (“HTA,”

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (the “Commonwealth”) (Bankruptcy Case No. 17-BK-3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17-BK-3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 -BK-3567-LTS) (Last Four Digits of Federal Tax ID: 3808); (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17-BK-3566-LTS) (Last Four Digits of Federal Tax ID: 9686); (v) Puerto Rico Electric Power Authority (“PREPA”) (Bankruptcy Case No. 17-BK-4780-LTS) (Last Four Digits of Federal Tax ID: 3747); and (vi) Puerto Rico Public Buildings Authority (“PBA,” and together with the Commonwealth, COFINA, HTA, ERS, and PREPA, the “Debtors”) (Bankruptcy Case No. 19-BK-5523-LTS) (Last Four Digits of Federal Tax ID: 3801) (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

and together with the Commonwealth and ERS, the “Debtors”), by and through the Financial Oversight and Management Board for Puerto Rico (the “Oversight Board”) as the sole Title III representative of the Commonwealth pursuant to Section 315(b) of the *Puerto Rico Oversight, Management, and Economic Stability Act* (“PROMESA”),² filed the *Five Hundred Eighteenth Omnibus Objection (Non-Substantive) of the Commonwealth of Puerto Rico, the Employees Retirement System of the Government of the Commonwealth of Puerto Rico, and the Puerto Rico Highways and Transportation Authority to Claims Asserting Liabilities Owed By Entities That Are Not Title III Debtors* [ECF No. 22247] (the “Five Hundred Eighteenth Omnibus Objection”) to various proofs of claim.

1. The Five Hundred Eighteenth Omnibus Objection seeks to disallow claims asserting liabilities owed by entities that are not Title III debtors, each as set forth on Exhibit A thereto (the “Claims to Be Disallowed”). Each of the Claims to Be Disallowed fails to comply with the applicable rules because they do not provide a basis for asserting a claim against the Commonwealth, ERS, HTA, or any other Title III Debtor for liabilities purportedly owed by entities that are not Title III debtors.

2. Any party who disputed the Five Hundred Eighteenth Omnibus Objection was required to file a response by 4:00 p.m. (Atlantic Standard Time) on November 2, 2022 in accordance with the Court-approved notice attached to the Five Hundred Eighteenth Objection as Exhibit C, which was served in English and Spanish on the individual creditors subject to the Five Hundred Eighteenth Omnibus Objection, the U.S. Trustee, and the Master Service List (as defined

² PROMESA is codified at 48 U.S.C. §§ 2101–2241.

in the *Sixteenth Amended Notice, Case Management and Administrative Procedures* [ECF No. 20190-1]). *See Certificate of Service* [ECF No. 22563].

3. The Debtors received correspondence from Vilma Maldonado Reyes (the “Claimant”), a certified translation of which is attached hereto as **Exhibit A** (the “Response”), regarding Proof of Claim No. 12237 (the “Claim”). The Claim was filed against ERS, and purports to assert liabilities in an undetermined amount against the University of Puerto Rico (“UPR”) and the University of Puerto Rico Retirement System (the “UPR Retirement System”).

4. As is explained in the Five Hundred Eighteenth Omnibus Objection, UPR and the UPR Retirement System are not Title III debtors. Instead, they are separate and legally distinct entities and, pursuant to Puerto Rico law, the Debtors are not liable for their obligations. “The debts or obligations of [UPR] shall not be debts or obligations of the Commonwealth of Puerto Rico, nor of any municipality or other political subdivision of Puerto Rico, and neither the Commonwealth of Puerto Rico nor any municipality or political subdivision of Puerto Rico shall be liable therefor.” 18 L.P.R.A. § 612(f); *see also* 18 L.P.R.A. § 602(a) (granting corporate authority to UPR). Further, it is UPR’s responsibility to maintain the UPR Retirement System, and not the responsibility of ERS or any Title III debtor. *See* 18 L.P.R.A. § 602(h)(15) (the Governing Board of UPR has a duty to “maintain a medical insurance plan and a pension system for all university personnel”).

5. The Response does not address the Debtors’ arguments that UPR and the UPR Retirement System are not Title III debtors, or that the Claim does not provide any basis for ERS or any Title III debtor to be obligated for amounts purportedly owed by UPR or the UPR Retirement System. Neither the Claim nor the Response provides a basis for asserting a claim against ERS or any Title III debtor.

6. For the foregoing reasons, the Debtors respectfully request that the Court grant the Five Hundred Eighteenth Omnibus Objection, notwithstanding the Response.

Dated: April 11, 2023
San Juan, Puerto Rico

Respectfully submitted,

/s/ Hermann D. Bauer

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